



U.S. Department of Justice

Jeffrey A. Taylor
United States Attorney

District of Columbia

Judiciary Center
555 Fourth St., N.W.
Washington, D.C. 20530

February 22, 2008

VIA E-MAIL IN PDF FORMAT

Robert C. Seldon, Esq.
1319 F Street, N.W., Suite 305
Washington, D.C. 20004

Re: Elion v. Jackson, Civ. No. 05-992 (PLF)

Dear Mr. Seldon:

During trial preparation we discovered that we have certain documents that are relevant to the claims and defenses in this case.

We are uncertain whether these documents (with bates number 3342-3371) were responsive to Plaintiff's discovery requests or produced to Plaintiff as part of discovery but out of abundance of caution and pursuant to Fed. R. Civ. P. 26(e), we are producing those documents with this letter.

Sincerely,
UNITED STATES ATTORNEY
JEFFREY A. TAYLOR

By: //s//
John C. Truong
Assistant United States Attorey

Enclosures:

Impact of a FY 2004 Continuing Resolution (CR) on HUD Office of Inspector General.

If the HUD Office of Inspector General (HUD OIG) is required to fund its operations for the remainder of the fiscal year at the level of the current Continuing Resolution, it would have a severe and dire impact on the organization. About seventy-three percent of HUD OIG's budget is devoted to Personal Services. Very little funding of the remaining twenty-seven percent is allocated to discretionary expenses. Our organizational lifeblood is dependent on our staff being able to go to locations to conduct audits and investigations. Any reduction on the S&E funding has a immediate impact because it reduces our ability fund our staff and conduct our business. We are already under a hiring freeze to be able to maintain staffing levels at the CR level during the first quarter of the year. If there would be a 4.1% pay increase, it would result in a shortfall of \$3.5 million. If we had a 8% attrition rate it would save about .5 million To cover the remaining \$3.0 million This leaves us with 3 options:

Option 1 Reduce Salary Cost through Furloughs: The \$3.0 million loss of funding would result in a lost of 34 Full Time Equivalents and mean that we may have to subject OIG's 673 on board staff to a furlough schedule. We would continue with the hiring freeze and would expect some attrition to make up some of the shortage This would mean every IG employee would have to be furloughed for about 12 days each.

Option 2 Reduce Operating Budgets: Another way to administer this funding loss would be to require the Offices of Audit and Investigation to cut operating expenses. Because our line of work is so heavily dependent on travel to the site locations to conduct our reviews, it results in travel and transportation being approximately 75% of the Office of Audit's Operating Budget and 50% for the Office of Investigations. The significant loss of travel funding would mean we would have to conduct work in the cities where we only have offices. These locations may not be where we have the highest priority work.

Option 3 Reduce a Combination of Salary and Operating Budgets: If a series of CRs continues and the year proceeds we would start by reducing costs by cutting travel, but at some point will be necessary to furlough staff to avoid having staff remain in their offices with no work to perform.

Overall Impact on OIG work. This shortfall will likely cause us to question and disallow fewer costs in the range of \$16 million for FY 2004. We will also conduct 7 fewer audits this year. Our current focus is in the single-family area. Consequently, most of the shortfall in reports will be in this area. In Investigations, our proactive initiatives, i.e. Fugitive Felons, Rental Assistance Overpayments, and Social Security/Identity Theft fraud would be curtailed. Our mandated investigations of FHA single family mortgage fraud, to include predatory lending, and our investigations of departmental employee misconduct investigations, would be given priority at the expense of (1) hospital and

nursing home investigations, (2) Community Planning and Development investigations (public corruption) (3) Public Housing and HOPE VI investigations.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-4500

OFFICE OF INSPECTOR GENERAL

MAY 19 2004

MEMORANDUM FOR: All OIG MANAGERS

FROM: *Michael P. Stephens*
Michael Stephens, Deputy Inspector General, GD

SUBJECT: Initiatives to Reduce Spending

As you know by now, our FY 05 budget deficit is about \$6.6 million. We recently completed a budget scrub of our FY 04 and FY 05 budgets in order to minimize the effects of this shortfall. We must continue to look for ways to maximize the use of our limited resources. In addition to our need to continue the hiring freeze to achieve additional savings, the Operating Budgets will be reduced in conjunction with the FTE decline. This memorandum contains several suggestions that, if implemented, should help conserve our resources and minimize any adverse impact on carrying out our mission.

Airfare.

Agents should drive to the extent possible. Most case locations can be reached in a three-hour drive or less. Airlines should be used for long distance, out of Region travel unless there is some exigency.

Always request the lowest contract airfare available. Generally, there are two contract fares available: the "YCA" fare and the "_CA" (referred to as dash CA).

YCA: The first contract rate is an unrestricted fare called an "YCA" fare. These fares have no restrictions attached to them and are fully refundable, fully changeable and offer last seat availability. These fares require no advance purchase and have no minimum or maximum stay requirements, travel time limits, charges for cancellations or blackout periods. This fare tends to be higher and when available allows you premium seat assignments.

_CA: A second contract rate, the capacity controlled (_CA) fare, is also offered through this program. The _CA fares are even lower than the already discounted federal rates offering a savings from \$2.00 and up to \$500.00. The CA fares are available only for a limited number of seats and federal travelers should book early. There are no cancellation fees on the specially discounted fares however you must have the same booking code available in order to make a change without an additional collection or upgrade to the YCA fare. Travelers can still buy tickets under standard government rates

at the last minute if seats are available, and unrestricted standard fares will continue to be available in the test markets. These fares though lower are not eligible for the premium seat assignments.

There is also a non-contract fare, referred to as DG, which offers similar fares to the YCA and CA. However, we must use the contract carriers unless one of five exceptions is met. There are more restrictions on these fares and your flight can be cancelled at any time without notice. Use of non-contract fares should be the exception. Additional information on the exceptions and restrictions can be found at:
<http://hudweb.hud.gov/po/f/travel/gsacity.htm>.

Hotel taxes.

Many states offer exemptions for hotel taxes. You must take advantage of any state exemption offered. A listing of those states and a copy of the tax exempt form can be found at: <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/StTaxexemp.shtml>.

Rental cars.

Rental cars should not be authorized at TDY sites if adequate public transportation is available. There would appear to be little justification for rental cars when the TDY site is within a large city or relatively close to an airport where shuttle service or taxis or busses can be used to get to the site. A justification for the use of a rental car must be entered in the comments section on the authorization.

Training.

To the extent feasible, training should be scheduled within the local commuting area to avoid expensive TDY travel. Also, you should consider coordinating training to take advantage of quantity discounts. Use of computer based training or conducting in house training within your region are additional ways to save money.

Local conferences.

If needed, local regional conferences should be conducted at locations that minimize travel and per diem cost.

Audio-visual equipment.

It is very expensive to rent in-focus machines, flip charts, etc. To the extent feasible, we should take our own equipment to training sessions or staff conferences.

Mail.

We have a tendency to over use FED EX. Everything does not have to be expressed mailed. Please use HUD pouch mail as much as possible. When you do have items that need to be expressed mailed to headquarters, combine mailings as much as possible.

Equipment/Furniture/Supplies.

Equipment and furniture should not be routinely replaced unless necessary, i.e. no longer functioning or worn out. We cannot afford to replace items that still have a good useful life. Also, we must be prudent in our selection of office equipment and only purchase the size or model that best fits our needs. Keep in mind that not only do the large or top of the line copiers, faxes, etc., cost more, but the monthly maintenance fees can be two or three times higher than the smaller less fancy models. These fees should be included in the decision to buy a certain model.

Review the use of all equipment, particularly cell phones, on a regular basis. Where possible, adjustments, such as switching to cell plans with less minutes should be made. We are working on a national cell phone contract and will inform you when you should start using it. We also plan to explore national contracts for other equipment such as copiers and faxes.

When you do purchase anything, always get three quotes to insure that you have obtained the best price. Comparative pricing should also be done for items under the \$2,500 small purchase limit

IT Equipment and Supplies

The OIG CIO will approve the acquisition of Government Furnished Equipment (GFE) and Seat Management computer hardware and software. GFE items are usually purchased using the HUD Form 10.4 or the office credit card. Seat Management items are acquired using the MAC process. Items requiring approval includes notebook and desktop microcomputers, as well as peripherals such as monitors, printers, scanners, hard drives and the like. Expendable IT supplies such as diskettes, CD ROMs, print cartridges and Zip disks needed to operate existing IT equipment need no approval. Similarly, the acquisition of connectors such as power cords, data interface cables, hubs and power strips need no Headquarters approval.

Unnecessary or overly expensive computer peripherals or printers should be avoided. Purchases under SEAT are not free. There is a monthly cost to HUDOIG, for product and service for each item ordered. Also don't request items that are greater than your need. For example, don't buy a printer that is rated to service 50 individuals when it will only be used by 5.

In summary, encourage your staff to think of cost savings ideas. Share these ideas, and praise staff if their suggestions are implemented.

Room 8260, 451 7th Street, S.W.
Washington DC 20410-4500
Tele: 202-708-1613
Fax: 202-401-3778
Cell: 202-441-3801

— Forwarded by Marie Hedgpeth/WHQ/UDOIG on 11/20/2006 06:37 PM —

 Marie
Hedgpeth/WHQ/UDOIG
04/06/2004 04:46 PM

To Barbara Pittman/WHQ/UDOIG
cc
Subject Fw: FTE realignment

FYI - The new targets totaling 660:

Front Office = 6
Counsel = 8
OMAP = 37
OA = 301
OI = 308

Thank you, Dawn Hedgpeth
HUD-OIG, OMAP - Budget
202-708-3444, ext 8170

— Forwarded by Marie Hedgpeth/WHQ/UDOIG on 04/06/2004 04:55 PM —

Dennis
Raschka/WHQ/UDOIG
04/02/2004 01:14 PM

To "John Harr" <jham@hudoig.gov>
cc "Ann Blanchard" <Ablanchard@UDOIG.gov>, "Marie
Hedgpeth" <mhedgpeth@hudoig.gov>
Subject Fw: FTE realignment

Sent from my BlackBerry Wireless Handheld
Michael Stephens

From: Michael Stephens
Sent: 04/02/2004 01:10 PM
To: rhaban@hudoig.gov; jheist@hudoig.gov; draschka@hudoig.gov;
jharr@hudoig.gov
Cc: dsalas@hudoig.gov; jmccarty@hudoig.gov; Helen
Albert/WHQ/UDOIG@UDOIG; bsaddler@hudoig.gov; rjohnson@hudoig.com; Kenneth
Baker/WHQ/UDOIG@UDOIG; John Dupuy/WHQ/UDOIG@UDOIG
Subject: FTE realignment

It has been decided at this time that 5 FTE will be added to the Audit staff and 5 FTE will be subtracted from the Investigative staff. However, this new number is based on an overall FTE for the organization based on 660 not 675. Therefore investigations new FTE ceiling will be 308 and Audit will be based on 301.

Explanation of numbers:

(Realize that based on 660 and we kept the current percentage of FTE between OI and OA the numbers would have been OI 313 and OA 296 before our decision to move five slots from OI to OA).

Please base your planning regarding hiring on this information. I will continue to discuss with you individual hiring decisions to make sure that we are filling the most needed positions. The FTE makeup of the other divisions will remain the same.

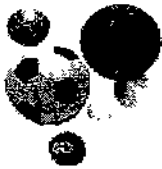
At the present time, I have been advised that we have achieved the 660 desired level overall. I realize that this will vary depending on the situation and needs. You should plan to reach your allowable FTE ceiling as soon as possible. The earlier that we achieve and maintain the overall goal of 660 the better. This will put us in a much better position to deal with the significant problems relating to the '05 budget. As always, I look forward to discussing this with you at anytime, Thank you.

Michael P. Stephens
Deputy Inspector General
202-708-0430

OIG S&E BUDGET PLAN - FY 2004 & FY 2005						
BUDGET PLAN						
Budget Org	(In Whole Dollars)	FY 2004	Change	FY 2005 (TO DIG)	Proposed/Potential Changes	REVISED FY 2005
PERSONNEL SERVICES:						
	FTEs (not \$)	670		660		634
	Average Annual Salary	106,669	3.50%	110,402		110,402
G-1100	Salaries	71,468,230	1,397,090	72,865,320	(2,870,452)	69,994,868
G-1152	Awards (575 / 660 * \$850 / \$750) + \$91,000 (SES) + (13 * \$1,000 (Prof Cert)) + (6 * \$2,500 (Home Sale)) + \$40,000 (Annual)	732,750	-	732,750	(78,750)	654,000
G-1152	Awards - Other	-	-	-	-	-
G-1100 (1183)	Terminal Leave (A/L Payments) actual as of Feb 7	300,000	-	300,000	-	300,000
G-1100	Premium Pay (excludes LEAP & AUO)	103,503	(3,503)	100,000	(100,000)	-
G-1100 (1282)	Recruitment Allowance	-	-	-	-	-
G-1100 (1283)	Retention Allowance	26,000	-	26,000	3,000	29,000
G-1100 (1298)	Student Loan Repayment Program	20,000	-	20,000	(8,000)	12,000
GZ + GFB	Relocations (Movas & Contract)	1,000,000	-	1,000,000	(500,000)	500,000
1285	Transit subsidy	116,560	-	116,560	-	116,560
	TOTAL PERSONNEL SERVICES	74,765,143	1,393,587	76,158,730	(5,574,202)	70,584,528
CONTRACTS/SERVICES:						
	Financial Audits	1,818,273	527,183	2,345,456	-	2,345,456
	IT (SLA with HUD)	-	-	-	-	-
	IT (excludes SLA) ... see attached	4,913,040	4,830,035	9,743,075	(1,816,840)	7,926,235
	Admin Services (Rent, Space, Utilities, Security, & Parking)	8,364,000	-	8,364,000	-	8,364,000
	OIG-Wide (Lexis-Nexis, Semi-Annual Reports, Childcare, DoD Tuition, FEAR)	570,417	149,999	720,416	(11,999)	708,417
	Public Debt (includes OPM backgrounds)	1,665,472	278,902	1,944,374	(114,033)	1,830,341
	NFC payroll processing	71,785	1	71,786	(1)	71,785
GFB (excludes Relo Contract)	TOTAL CONTRACTS/SERVICES	17,402,597	5,786,120	23,188,711	(1,942,873)	21,245,838
OPERATING BUDGETS:						
G	Front Office	70,000	-	70,000	-	70,000
	Audit	3,361,896	(7,245)	3,354,651	-	3,354,651
	Investigation	4,945,323	-	4,945,323	-	4,945,323
GF	OMAP	180,435	-	180,435	-	180,435
GFA	OMAP (EAC)	30,000	-	30,000	-	30,000
GFP	OMAP (Recruiting)	16,600	-	16,600	-	16,600
GC	Counsel	37,874	-	37,874	-	37,874
	FTE Reduction ... -15 ('04) & -26 ('05) = \$-517,407 + \$54,325	-	-	-	(463,083)	-
	TOTAL OPERATING BUDGETS	9,642,127	(7,245)	9,634,882	(463,083)	9,171,800
	'04 SURPLUS / CARRYOVER to '05	620,372	(620,372)	-	(620,372)	(620,372)
	TOTALS RQMTS	100,432,540	6,552,000	106,984,530	(8,580,530)	100,404,000
	Expenditures in Support of Operations	100,432,540	(28,440)	100,404,100	-	100,404,100
	Difference	-	-	(6,580,530)	6,580,530	-

OIG S&E BUDGET PLAN - FY 2004 & FY 2005						
BUDGET PLAN						
Budget Org	(In Whole Dollars)	FY 2004	Change	FY 2005 (TO OIG)	Proposed/ Potential Changes	REVISED FY 2005
CLIN	Information Technology					
7	DynCorp Contract	5,609,881	178,350	5,788,231	-	5,788,231
13	MAC Installation - New Employees	18,200	(18,200)	-	-	-
13	Unscheduled Travel	67,000	(52,000)	15,000	-	15,000
14A	Sun Server	27,707	3,615	31,322	-	31,322
14B	Cable Install & Maintenance	50,000	-	50,000	-	50,000
14C	Computer Refresh	110,020	(110,020)	-	-	-
14D	Oth Non-Std Systems (WR Systems - SEAT Support) & Invest Requests	150,000	(85,000)	65,000	-	65,000
15	Hardware/ Software/ Maintenance Renewals (see attached)	150,000	(50,000)	100,000	-	100,000
16	Catalog Purchases (see attached)	534,254	(223,738)	310,518	(100,000)	210,518
	GSA Fee (5%)	335,853	(17,849)	318,004	(5,000)	313,004
	Subtotal GSA (SEAT) Requirements	6,529,715	(124,840)	6,404,875	(105,000)	6,299,875
	Labor Costs	2,190,170	(2,190,170)	-	-	-
	MS Access Programming Labor	73,941	1,059	75,000	-	75,000
	Hardware/Software	328,500	75,500	404,000	-	404,000
	GSA Fee (4%)	103,704	(84,544)	19,160	-	19,160
	Subtotal GSA (MRD) Requirements	2,696,315	(2,198,155)	498,160		498,160
	Labor Costs - Startup	1,300,000	721,000	2,021,000	479,000	2,500,000
	GSA Fee (4%)	52,000	28,840	80,840	19,160	100,000
	Subtotal GSA (MIS) Requirements	1,352,000	749,840	2,101,840	498,160	2,600,000
	Total GSA Requirements	1,301,230	(1,623,155)	926,075	393,160	1,319,235
	'04 Carryover Available @ GSA (SEAT)	(4,703,190)	4,703,190	-	-	-
	'04 Carryover Available @ GSA (MRD)	(1,750,000)	1,750,000	-	-	-
	'04 Carryover Available @ GSA (MIS)	-	-	-	(2,060,000)	(2,060,000)
	Subtotal GSA Funding Onsets	(6,453,190)	6,453,190	-	(2,060,000)	(2,060,000)
	Total Funds Needed for GSA	4,648,040	(4,630,135)	187,905	(1,566,840)	1,371,065
	MOU 21384 - Security Retest Annual (OIS Support Services) Rmt	165,000	-	165,000	-	165,000
	Mercury Interactive	100,000	(50,000)	50,000	-	50,000
	IV&V	100,000	150,000	250,000	(150,000)	100,000
	IV&V Carryover	(100,000)	100,000	-	-	-
GF8	TOTAL IT (excludes HBD/SCAT)	4,913,040	(4,830,035)	83,005	(1,010,840)	722,165
	TOTAL REQUIREMENTS					
	ck w/ Peggy's #s	11,566,230		9,743,075		

OIG S&E BUDGET PLAN - FY 2004 & FY 2005						
BUDGET PLAN						
Budget Org	(In Whole Dollars)	FY 2004	Change	FY 2005 (TO DIG)	Proposed/ Potential Changes	REVISED FY 2005
	NOTE: Additional Breakdown of CLINs 15 & 16					
CLIN						
15	Hardware/ Software/ Maintenance Renewals					
	ACL maintenance renewal	50,609	(50,609)	-	-	-
	Lost PC replacement	15,000	-	15,000	-	15,000
	HW/SW/Maintenance renewals	84,391	809	85,000	-	85,000
	TOTAL	150,000	(50,000)	100,000	-	100,000
16	Catalog Purchases					
	Refresh training session	77,785	(77,785)	-	-	-
	Refresh training manual	36,771	(36,771)	-	-	-
	Belkin Classic Mice	4,166	(4,166)	-	-	-
	Adobe maintenance renewal	35,000	-	35,000	-	35,000
	Paisley (AA&A) maint renewal	78,014	(14)	78,000	-	78,000
	Paisley (AA&A) changes	5,000	(5,000)	-	-	-
	ACL enterprise license (04) / renewal (05)	97,518	-	97,518	-	97,518
	ScanMail and Emanager	100,000	(100,000)	-	-	-
	DSE (hi & low speed)	100,000	(100,000)	-	-	-
	Blackberries	-	100,000	100,000	(100,000)	-
	TOTAL	534,254	-223,736	310,518	(100,000)	210,518



Randy
McGinnis/WHQ/HUDOIG
03/26/2004 10:34 AM

To James Heist/WHQ/HUDOIG@HUDOIG, Michael
Phelps/WHQ/HUDOIG@HUDOIG
cc
bcc
Subject Financial Audit Planning FY 2004

Proposed assist work and audit restructuring.



Assist work.doc

Randy

March 26, 2004

Assist work/Areas where audit work is being restructured:

Statistical sampling for obligations and disbursements.

FAD will supervise staff. Plan to have 2 people from FT. Worth and 2 people from Kansas City detailed to FAD from April 15 to November 15.

One person detailed to HQ from September 6 to November 15.

In FY 2003, used 7,752 staff hours of assist. Plan for FY 2004 estimated at 3,600.

- 60 to 70 percent of obligations/disbursements performed in Ft. Worth and FMC.
 - LOCCS transactions at Ft. Worth
 - HUDCAPS -- other than Section 8 is performed in HQ
 - HUDCAPS Section 8 performed at FMC
- For contracts and disbursement documents not located at either Ft. Worth, HQ, or FMC, we will request the Department to collect and forward to HQ for review.

PIH MONITORING

Plan to visit 4 locations:

- New York City
- Birmingham
- Little Rock
- Los Angeles

Reduced audit program by 40 percent. Cutback on performance testing and scoped audit work towards increase review of RIM reviews and income verification work.

**Staffing requirements: 2 staff for each location from May 1 to August 31.
Supervision provided by FAD.**

FY 2003 staff hours used of 7,662. FY 2004 budget of 3,200 staff hours.

PIH ONAP Testing

**Eliminate field-testing. Complete testing at HQ only. No assist required.
FY 2003 used 550 staff hours of assist.**

Multi-family Monitoring

Assist work required at 3 PBCA locations:

- Puerto Rico
- Madison, Wisconsin
- Columbia, South Carolina

Staffing requirements of 3 people for 3 weeks at each location. Restructured audit work in FY 2003, therefore no major changes in audit work planned for 2004.

Joint KPMG/ Multi-family HUD work

Sites – 6 Locations TBD

Staffing requirements 1-2 staff for one week at each location

Administrative payments

- Travel payments - Perform testing of travel payments in HQ in lieu of Ft. Worth.
- Vendor payments - FAD will travel for 1 week to FT Worth and use assist work from 2 staff people detailed to FAD who are located in Ft. Worth.
- FY 2003 used 1843 staff hours of assist work.

Salaries and Expenses

- Need assist from 2 staff people for 3 weeks for testing in Chicago.

Headquarters testing

- Require 4 staff people from October 4 thru November 19. This is in addition to one staff person noted in Statistical sampling.

FHA/GNMA

- Contract reviews – requires assist from one staff person in HQ for 400 hours.



Randy
McGinnis/WHQ/HUDOIG
04/14/2004 08:44 AM

To OIG RIGAs, Andrea Glover/WHQ/HUDOIG@HUDOIG,
Angela Purnell/WHQ/HUDOIG@HUDOIG, Brenda
Patterson/WHQ/HUDOIG@HUDOIG, Clara
cc James Heist/WHQ/HUDOIG@HUDOIG, Michael
Phelps/WHQ/HUDOIG@HUDOIG

bcc

Subject Staffing Request - Financial Statement Audit

Randy McGinnis
Staffing Request:

We have initiated the FY 2004 Financial Statement Audit. This year the targeted due date for audited financial statements has been moved forward to November 15, 2004.

As discussed at the last managers conference, we plan to begin interim field work testing in May. Along with our financial review scheduled for Headquarters, we plan to initiate field work on PIH, Housing, nationwide statistical samples of obligations and disbursements, salaries and expenses, and administrative expenses. For the field work, we will be requiring assistance from the field staffs.

For HUD's major program and administrative areas, we have selected a group of field locations to perform audit procedures, mostly control testing of HUD's monitoring activities and testing of funding decisions. We plan to utilize a series of conference calls to coordinate the audit planning. **The Financial Audit Division will furnish the ARIGA for all the assist work.** The designated audit manager for the major program and administrative areas noted below will arrange a conference call with the responsible regions's AICs to review the audit programs and to answer any questions. We issue announcement letters from HQ and provide your staff with the audit programs and list of documents for the HUD field office to assemble prior to your start.

By May 3, please send a message to Brenda Patterson and me with:

- **AIC and staff members for each program area noted below.**

The following audit areas and responsible managers are:

Nationwide sample of Obligations and Disbursements - Seksin Kardmai and Wilfredo Dilian

- **We need 2 people from FT. Worth and 2 people from Kansas City detailed to FAD from May 15 to November 15.**

Require one volunteer detailed to HQ from September 6 to November 15.

- 60 to 70 percent of obligations/disbursements performed in Ft. Worth, HQ and FMC.
- For contracts and disbursement documents not located at either Ft. Worth, HQ, or FMC,

we will request the Department to collect and forward to HQ for review. We plan to test the first 6 months of transactions with field work to be performed from May 15 to July timeframe. Transactions covering April through August will be distributed in September. We plan to perform analytical work on September transactions and will distribute items during October as necessary.

Multi-family/FHA - Joseph Rothschild/Sharon Spencer/Randy LaPorte

- We have coordinated with KPMG to design a statistical sampling approach to meet our needs for both FHA and the consolidated audit. We plan to use KPMG staff along with our staff to review project files. In addition, we plan to perform work involving Multi-family Performance Based Contract Administrators (PBCAs). The following HUBs and PBCA's are scheduled to be visited. We expect to perform audit work in the May-July timeframe.

PBCAs - requires 3 people for each location for 3 weeks. Locations and planned start dates are as follows:

- Puerto Rico
- Madison, Wisconsin
- Columbia, South Carolina

Joint KPMG/IG HUBs - requires two people for each location for 1 week. Planned start dates are TBD.

- Fort Worth
- New York City
- Baltimore
- Chicago
- Boston
- Columbus, Ohio

PIH - John Dvorak

Plan to visit 4 locations: **Staffing requirements: 2 staff for each location from May 3 to August 31.**

- New York City
- Birmingham, Al
- Little Rock, Ark
- Los Angeles

HEADQUARTERS Testing - Staff request for Washington DC. As discussed at the planning conference, we are requesting 4 staff volunteers to come to Washington DC from October 4 thru Nov 19 to assist in the Headquarters testing phase. This is in addition to one staff person for Statistical sampling testing. **Please canvass your staff and let me know if anyone is interested in filling the 5 staff positions required.**

Administrative payments - Andrea Glover

- Travel payments - Perform testing of travel payments in HQ in lieu of Ft. Worth.
- Vendor payments - FAD will travel for 1 week to FT Worth and use assist work from 2 staff people detailed to FAD for Obligation/disbursement testing who are located in Ft. Worth.

Salaries and Expenses - Andrea Glover

- Need assist from 2 staff people for 3 weeks for testing in Chicago.

FHA/GNMA- contract review - Joe Rothschild

- Contract reviews – requires assist from one staff person in HQ for 400 hours.

Thanks for your continued support. If you have any questions, please give me a call.

Randy



James Heist/WHQ/UDOIG
04/19/2004 08:58 AM

To: Michael Phelps/WHQ/UDOIG@UDOIG
cc
bcc
Subject

I made a few changes. Please take a look before I give to Mike.



hq realign-heist edits.doc

MEMORANDUM FOR: ~~Kenneth Donohue, Inspector General, G~~~~Michael Stephens,~~
~~Deputy Inspector General, G~~

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THROUGH: ~~Michael Stephens, Deputy Inspector General, G~~

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FROM: James Heist, Assistant Inspector General for Audit, GA

SUBJECT: Proposal for Realignment of the Office of Audit

I am proposing to realign staff within Headquarters to best address our mission workload and our ~~severe current and anticipated~~ budget constraints. The realignment would involve disbanding the Headquarters Audits Division and moving staff to other mission critical functions within Headquarters, Office of Audit.

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Under this realignment neither the Director nor the ~~Deputy Assistant Director~~ would be in a supervisory position, however, we have ~~talked-discussed~~ this matter with our Human Resources Division and this realignment can be accomplished without anyone's grade being affected.

Because the Division has two ongoing assignments, I propose phasing the implementation to allow for these assignments to be completed in an orderly manner. The Director will supervise the completion of the ongoing assignments, which we expect to occur in July or August. As the three staff are freed up, they will be transferred to the Financial Audits Division at that time. This timeframe coincides with when they will be needed to work on the FY 2004 financial statement audit. The Assistant Director can be transferred to the Technical Oversight and Planning Division immediately. If you approve of this proposal I will move forward with implementation.

APPROVE

DISAPPROVE



Michael
Phelps/WHQ/HUDOIG
03/22/2004 02:49 PM

To Al Malloy/NYC/HUDOIG, Daniel Temme/PHI/HUDOIG,
Robert Gwin/DENOA/HUDOIG, Sandra
Elion/WAS/HUDOIG, Stanley McLeod/WHQ/HUDOIG,

cc

bcc

Subject conf agenda



rig conf.doc

RIGA Conference
Chicago, IL
March 30 – 31, 2004

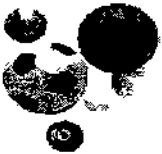
Tuesday

8:30am	-	Opening Comments	Heist
8:45am	-	Discussion of New MIS system reports and the accuracy of the data base	Phelps
10:00am	-	BREAK	
10:15am	-	Discussion of Travel Policy Task Force findings & proposed changes	Baca/Wolfe/Hobbs
11:30am	-	LUNCH	
1:00pm	-	Discussion of Consultant findings regarding Report Writing Study o Bottleneck issues o New Report Format o Staff Training	Temme Consultants
2:30pm	-	BREAK	

RIGA Conference
Chicago, IL
March 30 – 31, 2004

Wednesday

8:30am	-	Discussion of changes to the Audit Operations Manual	McLeod
9:30am	-	BREAK	
9:45am	-	Discussion of changes to the Auto Audit Manual	Hosking
10:45am	-	Budget	Heist
11:15am	-	Staffing Financial Audit	McGinnis
11:45am	-	LUNCH	
1:00pm	-	Video - Acting Secretary Jackson Confirmation Hearing	
1:45pm	-	Discussion of new evaluation process- rating staff against core competencies	Beard
2:45pm	-	BREAK	
3:00pm	-	Strategic Plan - o Goals & Accomplishments - o Monetary Results	Wolfe
4:00pm	-	Wrap-up	Heist



Michael
Phelps/WHQ/HUDOIG
04/16/2004 04:36 PM

To James Heist/WHQ/HUDOIG
cc
bcc
Subject realignment

we can put some details in if we need to



hq realign.doc

MEMORANDUM FOR: Michael Stephens, Deputy Inspector General, G

FROM: James Heist, Assistant Inspector General for Audit, GA

SUBJECT: Proposal for Realignment of the Office of Audit

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Headquarters Office Of Audit GA

